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Message Text

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PAGE 01 NEW DE 16735 171328Z

46
ACTION NEA-10

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 RSC-01

CIEP-01 TRSE-00 SS-15 STR-01 OMB-01 CEA-01 COME-00

OPIC-03 /053 W
---------- 086485
R 171210Z DEC 74
FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC 5732

C O N F I D E N T I A L NEW DELHI 16735

FOLLOWING TEL SENT ACTION NEW DELHI FROM CALCUTTA ON DEC 16.
NOW REPEATED FOR YOUR INFO.

QUOTE

C O N F I D E N T I A L CALCUTTA 2687

E.O. 11652: N/A
TAGS : EINV IN
SUBJECT : US DISINVESTMENT IN INDIA - REMINGTON RAND

1. S. S. KAPUR, MANAGING DIRECTOR OF REMINGTON RAND HAS TOLD US THAT WHILE HE WAS IN THE US LAST WEEK HE WAS INFORMED BY SPERRY RAND (PARENT COMPANY) THAT IT HAS DECIDED TO SELL OUT ITS 65 PERCENT INTEREST IN REMINGTON RAND OF INDIA, LTD. WHILE KAPUR WAS GIVEN A NUMBER OF REASONS FOR THIS DECISION, HE WAS TOLD THAT THE MAIN REASON WAS THAT THE COMPANY TOOK A DIM VIEW OF INDIA'S POLITICAL/ ECONOMIC FUTURE AND THEREFORE DECIDED IT "WANTED TO GET OUT."

2. KAPUR, WHO HAS BEEN WITH THE COMPANY FOR ALMOST TWENTY YEARS AND HAS BEEN MANAGING DIRECTOR SINCE 1972, IS NOW FACED WITH THE TASK OF FINDING AN INDIAN BUYER. (35 PERCENT OF REMINGTON RAND OF INDIA, LTD., IS OWNED BY THE MAHINDRA & MAHINDRA GROUP.) HE IS DEEPLY CONCERNED OVER THE FUTURE OF THE FIRM WITH ITS 3,000 EMPLOYEES AND THAT IT CAN RETAIN THE NAME OF REMINGTON RAND.

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3. PARTICULARLY DISAPPOINTING TO KAPUR IS THATTHIS DECISION HAS

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COME AT A TIME WHEN THE LOCAL FIRM WAS GETTING BACK ON ITS FEET FROM THE THREE MONTH LOCKOUT AT THE END OF 1973. HIS PREDICTION OF TOTAL SALES FOR FISCAL 1974 IS $8.7 MILLION (A RECORD YEAR) AND HE IS FULLY CONFIDENT HE COULD MAKE $11 MILLION IN FISCAL 1975. IT IS BECAUSE HE IS DOING WELL, THEY EXPLAINED TO HIM, WAS THE REASON FOR THE TIMING OF THE DECISION.

4. THE FOREGOING SHOULD OF COURSE BE KEPT HIGHLY CONFIDENTIAL. KAPUR SAYS IT MAY TAKE HIM A YEAR OR MORE TO FIND THE RIGHT BUYER. WE WILL OF COURSE FOLLOW UP ON THIS WITH HIM.
ROSSELOT

UNQUOTE MOYNIHAN

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Message Attributes

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